

SENATE BILL NO. 200

INTRODUCED BY B. GLASER

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A FORMULA TO BE USED FOR DETERMINING THE GRAZING LEASE RATES ON SCHOOL TRUST LAND; PROVIDING THAT WHEN THE BOARD OF LAND COMMISSIONERS IS DETERMINING THE RENTAL RATE FOR GRAZING PURPOSES, THE BOARD MAY CONSIDER ONLY THE LOCATION OF THE TRACT WITH REGARD TO MARKETS; AMENDING SECTIONS 77-1-106 AND 77-6-507, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 77-1-106, MCA, is amended to read:

"77-1-106. Setting of rates or fees -- rules. (1) Except as provided in subsection (1)(b), when in setting the lease rental rates or fees for the use of state lands and cabin sites, the board shall consider the impact of the uses on the school trust asset, lessee expenses for management, water development, weed control, fire control, the term of the lease, the production capabilities, the conditions on the lease payment, and any other required expenses reasonably borne by the lessee. In setting cabin site lease rates, the board shall consider expenses that are commonly incurred by the lessees to preserve the value of the state land or to provide services commonly provided by private lessors in the area.

(b) When setting the lease rental rates or fees for the use of state lands for grazing purposes, the board may only consider any decreased value in a parcel of state land because of its distance from a suitable market.

(2) All lease rental rates and fees established by the board under 77-1-208, 77-1-802, 77-6-202, 77-6-501, 77-6-502, and 77-6-507 must consider the trust asset and be in the best interests of the state with regard to the long-term productivity of the school trust lands, while optimizing the return to the school trust.

(3) The board shall comply with Title 2, chapter 4, part 3, in setting rental rates and license fees pursuant to 77-1-208, 77-1-802, 77-6-202, 77-6-501, 77-6-502, and 77-6-507."

Section 2. Section 77-6-507, MCA, is amended to read:

"77-6-507. Formula for fixing annual rental. (1) In this section:

(a) "animal unit" means one cow, one horse, five sheep, or five goats;

(b) "animal-unit-month carrying capacity" means that amount of natural feed necessary for the complete subsistence of one animal unit for 1 month.

(2) The board shall establish the ~~per annum~~ annual rental rate per section of all grazing lands that are the property of the state by determining the average rate for private grazing leases in the area of the leased tract for the 3 previous years and multiplying that rate ~~a factor established by the board pursuant to 77-6-502 times the average price per pound of beef cattle on the farm in Montana for the previous year times by~~ the animal-unit-month carrying capacity of the land.

(3) The carrying capacity of the land to be used in the ~~above~~ formula in subsection (2) must be in accordance with the determinations of the department made under 77-6-201.

~~(4) The average price per pound of beef cattle on the farm in Montana must be taken from statistics published by the United States department of agriculture current at the time of computation of the rental or from other reliable sources current at that time.~~

~~(5)~~(4) In establishing the rental rate described in subsection (2), the board shall consider applicable elements that include but are not limited to those set forth in 77-1-106."

NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

- END -